

FISCAL NOTE

SB 2293 - HB 3131

February 15, 2000

SUMMARY OF BILL: Exempts from the franchise and excise tax *pooled capital funds*. The funds must be a limited liability company, limited liability partnership, or limited partnership, formed or operated for the exclusive purpose of buying, holding and/or selling securities, including debt securities, primarily in non-publicly traded companies on its own behalf and not as a broker. The capital of such funds must be primarily derived from investments by entities and/or individuals that are neither related to nor affiliated with the fund. The bill also allows the funds to invest in publicly traded companies. Under existing law, only venture capital funds that meet the requirements noted above are exempt from franchise and excise tax.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$1,000,000

The total decrease in state revenues cannot be determined, since data on such collections by the state are not yet available. However, such decrease in revenues can be reasonably estimated to exceed \$1,000,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

SB 2293 - HB 3131